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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 002295

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TAGS: [PGOV](#) [PTER](#) [NP](#) [GON](#)

SUBJECT: NEPALI CONGRESS STILL HOLDING HARD LINE AGAINST
INTERIM GOVERNMENT

REF: A. (A) KATHMANDU 2189

[1](#)B. (B) KATHMANDU 2091

[1](#)C. (C) KATHMANDU 2060

Classified By: AMB. MICHAEL E. MALINOWSKI. REASON: 1.5 (B,D).

SUMMARY

[1](#)1. (C) The polarization between the Palace-appointed interim government and mainstream political parties continues. Nepali Congress President and former Prime Minister G.P. Koirala, who maintains that the previous Parliament should be reinstated, led a rally November 26 against the King's October 4 dismissal of the previous government. More such demonstrations may be likely. Hardliners within the Nepali Congress are urging against compromise with the Palace, according to a high-ranking party source, who expressed concern that Koirala's continued intransigence--and thus a protracted stalemate between the parties and the Palace--could play right into the plans of the Maoists. End summary.

PARTIES STILL SITTING OUT ON THE SIDELINES

[1](#)2. (SBU) Despite the November 18 Cabinet expansion (Ref A), no one from any of the seven Parliamentary parties--with the exception of the Prime Minister and Deputy Prime Minister themselves--has accepted a position in the interim government appointed by the King October 11. (Note: Ref A incorrectly reported that Land Reform Minister Badri Narayan Basnet is a member of the National Democratic Party. In fact, Basnet is a former member of the Nepali Congress. End note.) Party activists on either side of the aisle lament that the King is trying to prove he can go it alone without the parties, claiming the monarch is heeding too attentively the views of recitivist Palace insiders who paint all politicians as corrupt, ineffectual, self-interested hacks. Interim government efforts to accomplish what successive democratic governments could not--i.e., dealing with the Maoists and cleaning up corruption--thus garner suspicion, rather than support, from party leaders who feel themselves increasingly sidelined and rendered superfluous by the King. Many are particularly alarmed by the anti-corruption crusade (Ref C), interpreting it as another Palace ploy to discredit the democratic parties' legacy. (Note: For some politicians, their personal levels of culpability in assorted scandals likely also figure prominently in these feelings of disquiet. End note.)

[1](#)3. (C) At the same time, some party leaders appear jealous of the new government's efforts to reopen talks with the Maoists and may, according to some sources, be actively attempting to thwart such overtures. One politician-cum-human rights activist alleged recently that NC leader G.P. Koirala actually is urging the Maoists, apparently through his own human rights channel, not to open talks with the "illegitimate" interim government appointed by the King.

[1](#)4. (C) But despite their displeasure with the King's move, the parties still appear clearly perplexed about how best to respond. The positions of the National Democratic Party and the Nepal Sadbhavana Party (the third- and fourth-largest parties respectively) are particularly sensitive, since the current Prime Minister and Deputy Prime Minister hail from their respective upper ranks. One Nepal Sadbhavana Central Committee member told us his party was acutely displeased when Badri Mandal, their acting President, accepted the post of Deputy PM--a step taken, according to the source, with no prior clearance from the party leadership. The National Democratic Party, or Rastriya Prajatantra Party (RPP), although traditionally allied with the Palace, has still avoided nominating anyone (with the exception of PM Lokendra Bahadur Chand) to the Cabinet. Communist Party of Nepal - United Marxist Leninist (UML) leader Madhav Nepal seems to be quietly sitting on the fence, neither directly confronting or criticizing the King nor explicitly endorsing his action.

The UML has so far shown a reluctance to engage in street demonstrations, although a mass meeting is planned to be held in Kathmandu Dec. 13. UML leader Nepal has intimated that his party would like the King to replace the current technocrat Cabinet and Prime Minister with an all-party government (and a PM yet to be named), and may have deferred public displays thus far in the hope of pursuing "quiet diplomacy" with the King. So far, however, the Palace has given no indication that it is entertaining any suggested revisions to the Cabinet.

KOIRALA OUT IN FRONT AGAIN

15. (SBU) But if the UML, the RPP, and the Nepal Sadbhavana are downplaying, at least for now, their displeasure with the current set-up, the Nepali Congress Party, under the quixotic leadership of five-time PM G.P. Koirala, shows no such reticence. The 79-year-old Koirala has kept up a steady chorus of dissent, charging the King's dismissal of the previous government was "unconstitutional," and warning darkly of unspecified dangers to democracy posed by the interim government. On November 26, the Nepali Congress held concurrent mass rallies in eight different cities across the country; another rally was held in a ninth location just a few days later. With the exception of the rally in Pokhara, each of the rallies was fairly well-attended, according to NC spokesman Arjun Narasingh K.C., with the Kathmandu meeting, addressed by none other than G.P. himself, drawing thousands of participants. Some of the attendees carried banners and signs criticizing the King's October 4 dismissal of the previous government. Koirala was somewhat more circumspect in his public remarks, avoiding direct criticism of the monarch, suggesting instead that the King "take corrective measures" by reinstating the Parliament dissolved last May. (Note: November 29 editions of Nepali dailies quoted Koirala as warning that his party might support withdraw its support of the constitutional monarchy in favor of a republic absent ameliorative measures taken by the King. The NC Party spokesman told poloff the former PM once again had--as is apparently so often the case--been misquoted. End note.)

MAOISTS INTO THE MIX?

16. (C) Koirala's strong words against the monarch have won him admiration and kudos from an unlikely quarter--the Maoists--who have praised him as the one true democrat brave enough to stand up to the King. (Needless to say, a complete reversal of their view of him during his tenures as Prime Minister.) NC spokesman Narasingh K.C. told us he fears that Koirala may be increasingly distancing himself from the political mainstream with his harsh rhetoric, boxing himself more and more into a corner that will leave him little room for maneuvering. Self-interested opportunists within his own party are counseling against moderation and compromise, urging him to insist on the reinstatement of the previous Parliament--a proposal which enjoys the dubious distinction of having been rejected by all other parties and the King--as his bottom line (a line which has no resonance among the people, either). The Maoists, who thrive on contention and discord among domestic political forces to further their own aims, are also encouraging a hard line, spokesman K.C. said.

17. (C) Narasingh K.C. said he had attended an all-party meeting November 28 called by a far-left coalition (some with covert links to the Maoists) that had gained no seats in the previous Parliament. The left-wing parties tried to convince the Nepali Congress and UML representatives (the only mainstream parties in attendance) to participate in mass, all-party demonstrations and protests against the King's action. Neither the UML representative nor he agreed to the proposal, Narasingh K.C. said. If they did, he observed, the agenda could be easily hijacked by the Maoists. We are getting "dragged to the Maoists' side" by the political impasse, he complained, since there seems to be little latitude left for compromise and understanding between the Palace and the NC.

18. (C) In a December 3 meeting with UML Central Committee member and former Deputy Prime Minister Bamdev Gautam, the Ambassador encouraged the political parties to work together with the Palace to present a united front against the Maoists, adopting as a basic principle that the insurgents cease their violent activities. The Ambassador also warned that security forces are fearful the Maoists might try to infiltrate street demonstrations and mass rallies planned by the parties, in a bid either to discredit the mainstream political parties or to provoke an over-reaction from the Government. Gautam said he recognized this danger. He reiterated the UML position calling for an all-party government, perhaps formed under the auspices of Clause 128 of the Constitution, but noted that there had been no further discussion between the Palace and his party for the past two

weeks. (Note: Clause 128 authorized the formation of the first interim Cabinet "consisting of representatives from the main political parties," before national elections could be held, under democracy. UML logic holds that since elections cannot be held because of security conditions, Clause 128 offers a constitutional precedent for forming an all-party interim government until the situation improves and national elections can be held. End note.)

COMMENT

19. (C) It is a little disheartening to reflect that the Nepali Congress can mobilize its party machinery to rally thousands of people in Kathmandu and elsewhere to protest the King's action but seems unable to organize a program of similar magnitude denouncing Maoist attacks against their own party workers in the field, or against the frequent Maoist-called general strikes that are so debilitating to the economy and society. The current impasse is absorbing most, if not all, of the interim government's attention. Asserting its legitimacy is distracting this government from addressing more urgent matters--like the insurgency--in much the same way fending off the constant threats of no-confidence votes and party splits had preoccupied previous governments. So far, however, creative resolutions to the stalemate have not been forthcoming. Reinstating the previous Parliament appears to have the support of no one save G.P. Koirala, does not appear to have any constitutional basis, and would likely face a Supreme Court challenge. (Note: The Supreme Court has already ruled the dissolution of Parliament in May to be legal. End note.) Given the perennial contentiousness of Nepali party politics, the all-party government proposed by the UML would seem to have too many moving parts to prove workable. That said, an interim government in a multi-party democracy--even one formed with the best intentions--should be able to demonstrate some support from some of those parties as a minimum requirement. If that government is facing a violent insurgency that claims to have broad-based popularity, that support becomes even more crucial. Without it, this government will remain severely restricted in what, if anything, it can accomplish toward a long-lasting solution to the conflict. We, along with the British, have quietly been advising both the Palace and the political leaders to compromise on their public postures, which are becoming increasingly inflexible, to achieve a government that more accurately represents the multi-party democracy it seeks to preserve. Unfortunately, however, dialogue between the parties on the Palace on a more feasible ruling formula, e.g., a reshuffled Cabinet, which combines qualified technocrats with representatives from all the Parliamentary parties, seems for the moment to be at a standstill. End comment.

MALINOWSKI